RESOURCE DEVELOPMENT POLICY

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Energy and Resource Development Secretariat
Government of the Northwest Territories
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Introduction

The development of resource-based industries in the Northwest Territories is of major importance to the livelihoods and lifestyles of its inhabitants, most of whom were born here and wish to maintain a choice between traditional pursuits and those that have been made possible through modern technology.

In order to accomplish this, it has become increasingly important for aboriginal peoples of the territories — and long-term residents — to exercise a strong element of control over the developments that are taking place, or will take place, in their homeland.

It is against this background that the Government of the Northwest Territories recently approved a Resource Development Policy based on the principle that it will support development when its overall economic, social and environmental implications are judged to result in a net benefit to the people of the Northwest Territories.

This policy and its guidelines should be viewed as an aid to resource development rather than a burden. The intent is not to duplicate information or actions currently required of industry by other levels of government or Federal review processes. Instead, it is to enable the Government of the Northwest Territories to effectively fulfill its responsibilities by addressing resource development issues that are of major and primary concern to the North, by using appropriate territorial mechanisms and processes.

From the NWT perspective, the performance of a resource development project is as important as the resource that is being developed.

In the spring of 1982, the government's elected executive committee approved a document that outlined three elements of the proposed Resource Development Policy. More recently, the guidelines and criteria for the policy provisions and its implementation strategy have been reviewed and approved.

The policy identifies nine principles to be used in the evaluation of the implications of resource development projects. The scope of the policy includes all phases of resource development activity and when fulfilled will enable industry to proceed to the federal level of review having convinced the Government of the Northwest Territories of its project's merit.

The first element of the new policy involves the designation and priorization of Development Impact Zones in the Northwest Territories. Such a zone is defined as a community, a group of communities or a geographic area that is experiencing or is about to experience extraordinary impacts as a result of resource development.

Within that zone, the government's executive committee may approve formation of a zone group that is representative of the public interests in the area and relies on existing bodies such as municipal, band and regional councils, as well as native organizations, for overall local identification and resolution of issues associated with the perceived impacts of resource development.

The Development Impact Zone Group will be a valuable resource for the assesment and planning activities of both government and industry and will participate in the planning of programs and physical infrastructures within the zone.

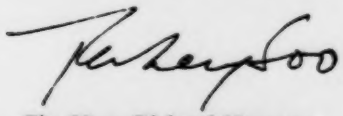
The second element of the policy is a Territorial Assessment and Review Process.

Proponents of resource development projects will need to consult with the Government of the Northwest Territories and the communities before options concerning the nature, pace and scale of the project are closed. Identification and resolution of identified adverse impacts will need to be carried out in advance of project implementation.

Under terms of the policy, major resource developers are designated by the executive committee and are required to secure a development certificate. This certificate will outline the terms and conditions under which support is received from the Government of the Northwest Territories. The needs and timing of the Federal processes will be considered when decisions are made concerning the territorial review.

The policy's third element identifies requirements for the monitoring of resource development activities. Development certificates, when necessary, will be renewed after a periodic review of the activities associated with the resource development project. This need for review is based on the fact that residents of affected communities must be included more effectively in the monitoring and evaluation activities and to fill the requirement of objective information for decision making.

In conclusion, the policy will enable the Government of the Northwest Territories to make decisions on resource development issues in a comprehensive and integrated manner. It will allow for more effective planning for resource development with the joint participation of the public, industry and government.



The Hon. Richard Nerysoo
Minister Responsible for
Energy and Resource Development

Resource Development Policy

The Government of the Northwest Territories will approve a resource development project when its overall economic, social and environmental implications are judged to result in net benefit to the people of the Northwest Territories.

The Resource Development Policy is based on the following principles:

a) Opportunities for jobs, training, and business development shall be maximized to ensure economic benefits.

b) The NWT shall derive energy benefits and secure energy supply from energy producing projects to help offset the loss of resources and to contribute to achieving energy self sufficiency.

c) The environment and renewable resource activities shall be protected.

d) Northern lifestyles and cultural heritage will be protected.

e) Local communities and interest groups will participate in consultation programs to ensure that resource projects are responsive to public concerns.

f) The interests of native groups shall be recognized.

g) Social and economic disruption shall be identified and monitored, and corrective measures developed and assigned to industry and appropriate levels of government.

h) Expansion of existing communities to support resource development shall occur in an orderly manner in keeping with the wishes of residents, and when this expansion is uneconomic or undesirable, new single-resource communities may be established.

i) An equitable share of resource revenues should accrue to the NWT.

SCOPE

This policy shall apply to the exploration, development and production phases of all non-renewable resource development activity and all renewable resource development projects in all lands and waters within the jurisdiction of the NWT.

DEFINITIONS

The following terms used in this Directive are hereby defined:

1. **Impact**

   The effects resulting from a resource development project.

2. **Impact Assessment Report**

   A document prepared by a project proponent that describes the project, identifies the impacts and proposes mitigative programs as a consequence of project activity.

3. **Mitigative Measure**

   A response to a consequence of development that can reduce the negative aspects of the impact.

4. **Terms and Conditions**

   The specific criteria upon which GNWT support for a particular project is contingent.

5. **Action Plan**

   A document prepared by a project proponent that outlines industry's operational plans for a specific time period to respond to social, economic and environmental concerns.

6. **Resource Development Guidelines**

   GNWT criteria for resource development activities for use by industry in project planning and impact determination and for use in the assessment of the proposal.

7. **Development Impact Zones**

   A community, group of communities or geographic area experiencing or expected to experience extraordinary impacts as a result of resource development.

8. Development Impact Zone Group

A group of people representing the Development Impact Zone and initiating planning activities in response to resource development issues of the zone.

9. Guidelines for Monitoring

GNWT criteria for resource development activities for use in checking and comparing industry's actual achievements against its original commitments.

10. Development Impact Zones Criteria

GNWT criteria that are used to designate and priorize Development Impact Zones and evaluate funding requests of Development Impact Zone Groups.

11. Assessment & Review Report

A report that contains the following:

— a description of the proposal.
— the public response to the project proposal as determined through submissions from representative community-based groups.
— submissions from affected departments and regions that determine the effects of the project on planned and existing responsibilities and identify requirements for new initiatives.
— recommendations for terms and conditions of project support.

12. Monitoring Report

A report prepared with input from the departments, regions and the public about industry's performance.

13. Development Certificate

A certificate issued to the proponent. The certificate outlines the terms and conditions for GNWT approval in principle and can be renewed.

14. Resource Revenues

Monies received by the GNWT from renewable and non-renewable resource development occurring within the NWT including:

— direct taxation
— resource royalties
— licenses and fees
— fines

15. Single-Resource Community

A population centre in which the economic activity of the residents is solely dependent upon the extraction and/or primary processing of a resource.

PROVISIONS

1. DEVELOPMENT IMPACT ZONES

a) Authority and Accountability

i) Executive Committee

Only the Executive Committee approves the designation of a Development Impact Zone and the funding of a Development Impact Zone Group. "For further information refer to Guidelines and Criteria for the Resource Development Policy."

ii) Executive Committee Member

Only the Minister for Energy and Resource Development approves the membership of the Development Impact Zone Group.

iii) Regional Directors

The Regional Directors facilitate the formation and operation of Development Impact Zone Groups and serve as ex-officio members. This will include the preparation and review of financial requests and the "report of recommendation" submitted by the Development Impact Zone Group.

b) Establishment

Development Impact Zones and Development Impact Zone Groups are designated using Guidelines and Criteria for the Resource Development Policy.

c) Work Plan

Each Development Impact Zone Group will prepare a work plan outlining proposed activities and budgets which will enable the group to:

— analyze resource development issues and activities
— identify local impacts of resource development
— recommend mitigative measures

d) Funding

A Development Impact Zone Group may request funding from the GNWT. There may also be opportunities for joint funding with industry and the Federal Government.

e) Reporting

The Development Impact Zone Group shall report its recommendations to the Minister for Energy and Resource Development.

2. ASSESSMENT AND REVIEW

a) Authority and Accountability

i) Executive Committee

Only the Executive Committee approves the terms and conditions for GNWT support of a resource development project.

Only the Executive Committee approves the Action Plan.

ii) Executive Committee Member

The Minister for Energy and Resource Development initiates GNWT assessment and review.

The Minister for Energy and Resource Development issues the Development Certificate.

iii) The Secretary, Energy and Resource Development Secretariat

The Secretary for Energy and Resource Development coordinates the GNWT assessment and review processes.

iv) The Deputy Minister, Economic Development and Tourism

The Deputy Minister, Economic Development and Tourism coordinates the preparation of Action Plans.

b) Assessment and Review Process

i) The GNWT will identify its information requirements for proponents of resource development projects.

ii) The proponent prepares and submits to the GNWT an Impact Assessment Report in response to the GNWT information requirements.

iii) The GNWT prepares an assessment and review report. Where a Development Impact Zone Group has been formed, their submission will be included in the Assessment and Review Report.

iv) The GNWT issues a Development Certificate outlining the terms and conditions of the GNWT support.

v) The proponent prepares and submits to the GNWT an Action Plan.

3. MONITORING

a) Authority and Accountability

i) Executive Committee Member

The Minister for Energy and Resource Development approves the Monitoring Report.

The Minister for Energy and Resource Development renews the Development Certificate.

ii) The Regional Directors

The Regional Directors are responsible for the implementation of monitoring activities.

The Regional Directors coordinate the preparation of the Monitoring Report.

b) Monitoring Process

i) The GNWT plans and implements monitoring activities for resource development projects.

ii) The GNWT prepares a Monitoring Report.

iii) The Development Certificate is reviewed outlining the terms and conditions of continued GNWT support.

4. GUIDELINES AND CRITERIA

Guidelines and Criteria covering the administration of the provisions contained in this Directive will be developed and promulgated from time to time by the Secretary for Energy and Resource Development.

5. PREROGATIVE OF EXECUTIVE COMMITTEE

Nothing in this Directive shall in any way be construed to limit the prerogative of the Executive Committee to make decisions or take actions, respecting resource development, outside the provisions of this Directive.

Guidelines

In submitting a Formal Application, the applicant will provide the following information:

i) Description of the Undertaking

- a clear indication of what the proponent wishes to achieve by carrying out the undertaking;
- a detailed outline of the features of the undertaking including: location, design and operation specifications, processes involved, raw materials required and sources, by-products, fuels emissions and effluents, support services required (e.g. sewers, water supply, electricity, educational and social services, etc.) products produced or services provided;
- a detailed time schedule and description of all capital and operating expenditures and manpower requirements for the planning, approval, construction, operation and abandonment stages of the undertaking;
- a financial analysis describing the economic feasibility of the undertaking and financial arrangements.

ii) Description of the Environment Affected

- a detailed examination and description of the ecological, social, cultural and economic environment affected directly or indirectly by the undertaking;
- an explanation of the basis for defining the Study Area (environment) affected directly or indirectly by the undertaking.

iii) Description of Environmental Affects

- a description and assessment of the ecological, social, cultural, archeological and economic affects resulting directly and indirectly from the undertaking, including their location, type, magnitude, duration, range and intensity;
- a description of the mitigative measures and monitoring plans and procedures to be employed in reducing, preventing and remedying adverse effects resulting from the undertaking;
- a description of procurement opportunities and plans to be employed in providing benefits to territorial residents.

iv) Description of Project Rationale

- a comparison and examination of alternative methods and/or location for achieving the stated purpose of the undertaking;
- a rationale for the preferred undertaking and the alternatives on the basis of technical engineering, environmental, socio-economic and cost criteria.

v) Public Consultation

— a detailed description of the applicant's public information and consultation program, including procedures, scheduling and methods of public notification.

vi) Ancillary Applications

— a list of approvals, permits or licenses required for the undertaking under other statues or regulations within the territory.

B.2 CRITERIA: ASSESSMENT AND REVIEW

The following criteria will be used by the GNWT in determining a resource development project's acceptability.

DEFINITIONS:

NWT Resident

For the purpose of interpreting the following position statement, an NWT resident is defined as:

i) anyone who has been resident in the Northwest Territories for at least one year immediately prior to the date of his application for employment;
ii) anyone who would normally qualify under i) above, but who currently resides outside the Northwest Territories for educational or medical reasons.

NWT Business

Where a business is referred to, the following definitions will apply:

i) An NWT business is one which:
   — meets legal requirements to carry on business in the NWT,
   — has a bonafide office in the NWT with a resident manager, and
   — employs persons domicile in the NWT.

CRITERIA

1.0 Employment and Training

1.1 NWT residents shall have the right of first refusal on all jobs for which they are qualified or for which they can be trained prior to start up, so that the NWT unemployment rate can be brought into line with that in the remainder of Canada and so as to reduce the social and economic disadvantages to which many NWT residents are subject.

1.2 Industry shall co-operate with GNWT and other agencies in developing a manpower delivery plan.

1.3 Industry shall co-operate with GNWT to encourage unions to meet preferential hire requirements for NWT residents.

1.4 Industry, in concert with the GNWT, shall develop training programs to develop a pool of qualified labour.

1.5 Industry shall develop, in consultation with the GNWT, career counselling and orientation programs for NWT and other workers

to instill in each group an appreciation of what may be new working and living experiences.

1.6 Industry shall recognize the importance of renewable resource harvesting activities to some NWT workers, and where possible, accommodate work schedules for NWT workers who want to continue their participation in these activities. Industry shall examine various means to achieve this objective.

1.7 Industry shall stress the concept of transferability of skills when developing training programs.

2.0 Business Opportunities

2.1 Industry shall utilize NWT business services to the greatest degree possible, where price, delivery capability and quality are acceptable.

2.2 Industry shall identify its requirements for supplies and services and, whenever possible, structure tenders to reflect the capacity of NWT firms.

2.3 Industry shall consult with representatives of NWT business and NWT business persons to make their requirements known and allow enough lead time to accommodate meaningful participation by the business community.

2.4 Industry shall advise the GNWT and the NWT business community of required supplies and services not available locally.

2.5 Industry shall not provide goods and services in the market place in unfair competition with local businesses.

2.6 Industry and government shall identify single points of contact for liaison and solution of business and entrepreneurial issues.

3.0 Energy Supply

3.1 In the case of energy producing development projects (oil, gas, coal, hydro power, etc.), industry is expected to supply the product to meet local energy requirements wherever possible.

4.0 Resource Use Conflict

4.1 The protection of fish and wildlife population is of major concern to the GNWT. Disruptions of these populations and their habitat should be avoided or minimized.

4.2 Direct and residual impacts on harvested populations represent a cost to the user. These costs must in some way be offset by compensation.

4.3 Resource stocks required for community development, such as

granular materials, timber and water, shall be maintained for priority use by communities.

4.4 Acceleration of baseline studies, to enable comprehensive review and assessment of project effects, creates additional cost to government, which are largely the responsibility of the proponent. Early consultation on resource development plans can, however, offset these costs by allowing government programs the opportunity to accommodate these proposals.

4.5 Industry shall locate its facilities so as to minimize conflict with archaeological, historical or biological resources.

4.6 Industry shall prepare for and allocate the resources necessary for rehabilitation of disturbed areas, once project abandonment occurs.

5.0 Social and Cultural

5.1 Industry shall consult with communities to ascertain community views, concerns and aspirations, and to plan and develop measures to enhance the positive and minimize the negative social and cultural effects of the project.

5.2 In remote or isolated locations, a communication system shall be established by industry whereby employees can contact their home community.

5.3 Arrangements will be made by industry to make suitable banking services available to employees.

5.4 Industry shall conform to the terms and conditions of any aboriginal rights settlements.

6.0 Provision of Government Services

6.1 Where increased demands are placed on existing community services and infrastructure as a result of a resource development project, and in the absence of GNWT access to resource revenue, the GNWT takes the following position:

a) The GNWT will ensure provision of services and infrastructure to meet existing requirements at the standard outlined in current policies.

b) If expansion of basic services and infrastructure is required as a direct result of a resource development project, the net cost to the GNWT of such additional basic services and infrastructure, to the standard outlined in current GNWT policies, will be the subject of negotiation between the GNWT and the Federal Government to secure extraordinary funding for the GNWT.

c) If industry requires a level of service and infrastructure above that outlined in current GNWT policies, industry will bear the

net cost of providing the higher level of services and infrastructure.

d) There must be negotiations between all affected parties to determine such cost sharing arrangements.

7.0 Community Consultation

There must be public input into resource development projects in the NWT. This input should be focused through DIZ Groups, where they exist, or the council of the city, town, village, hamlet or settlement involved and will often require the direct involvement of various special interest groups and native associatons.

8.0 Baseline Data

Baseline data which results from a project should be made available to government and the public.

C. MONITORING

DEFINITION

Monitoring

The process that the GNWT will use to periodically evaluate a resource developer's achievements against the original commitments and to determine necessary modifications to continued development activities.

INTENT:

i) a monitoring report of activities associated with resource development activity will be prepared at regular and predetermined intervals.

ii) the report will summarize the relevant and significant accomplishments associated with the activity.

iii) the achievements will be evaluated against the original commitments as identified in the Action Plan.

iv) recommendations concerning development activities will be articulated.

TASKS:

i) Data and information requirements will be defined based on the established Action Plan.

ii) This information will be evaluated in light of the objectives identified in the Action Plan.

iii) Recommendations will be made identifying modifications required to the project terms and conditions in order for devopment activities to continue.

iv) The proponents development certificate will be renewed upon inclusion of approved changes in the terms and conditions.

C.1 GUIDELINES: MONITORING

1. **Data Collection**

   The GNWT will determine the data and information requirements associated with a particular resource development activity, in light of established Action Plans for that development activity.

   Data sources will be identified and schedules concerning the availability and frequency of information provisions will be prepared.

   Industry will be expected to provide information required for monitoring.

2. **The Preparation of the Monitoring Report**

   The information will be presented to highlight the significant and relevant changes and trends associated with the resource development activity.

   The data will be interpreted to provide an evaluation of industry's compliance to the original commitments of the Action Plan.

   Recommendations will be prepared identifying modifications to the Action Plan.

   The public will be consulted through the appropriate mechanisms such as the Development Impact Zone Groups.

3. **Renewal of the Development Certificate**

   The GNWT will use the Monitoring Report as the basis for decision to renew the development certificate.

Questions and Answers

Q What is the purpose of the GNWT's Resource Development Policy?

A The Policy has been designed to ensure that resource development projects result in maximum benefit by ensuring NWT residents' involvement in the planning of programs and services resulting from major developments.

The policy also ensures that negative impacts will be dealt with in a timely and co-ordinated manner with provisions included for the effective monitoring and evaluation of the impacts of development.

Q What general provisions must industry follow under the policy?

A The GNWT, through the Resource Development Policy, requires developers to apply for a "Development Certificate" when undertaking major resource development projects. This certificate will be granted when certain environmental impacts and relevant socio-economic considerations have been reviewed in co-ordination with the GNWT, community interest groups, (Development Impact Zone Groups) and appropriate federal review agencies such as the Regional Environmental Review Committee and the Environmental Assessment Review Panel.

Q Will the GNWT policy result in duplication of efforts by industry to meet the requirements of territorial and federal review processes?

A No duplication will result as most federal processes focus primarily on national issues.

The GNWT policy is intended to allow for a more effective review of local issues and allow for co-ordinated implementation of programs and services required to cope with impacts of development.

Q Will the GNWT review process result in additional costs to industry?

A As GNWT assessment activities, both in terms of timing and information requirements, will be closely co-ordinated with the current processes of the federal government (RERC, EARP), no serious additional costs are expected to result.

Q What group or agency will co-ordinate the review process under the Resource Development Policy?

A While applications for development certificates are made to the Minister for Energy and Resource Development, a "Development Impact Zone Group" may

be formed in each region, where major resource projects are planned for the review and co-ordination of development issues and concerns.

A development impact zone group will consist of representatives of band and municipal councils and native organizations from communities impacted by major resource development projects. The activities of the groups will be facilitated by the appropriate GNWT Regional Director. Members of the DIZ groups may be appointed at the discretion of the minister.

Q What is the function of a DIZ group?

A Possible DIZ group activities may include the development of community information programs to make materials available on government and industry activities relating to resource development projects. In addition, the DIZ groups may solicit information from community residents to assist in planning for development.

Other functions may include planning activities to identify special concerns within the group, identifying impacts of development and proposing terms and conditions to mitigate or enhance potential effects of development.

A DIZ group may also become involved in the monitoring of impacts in a co-ordinated manner which will result in the collection of verifiable, objective data.

Other activities may also be undertaken.

Q How do DIZ group activities relate to the GNWT planning process?

A DIZ groups serve primarily as an advisory body to the Minister for Energy and Resource Development. DIZ recommendations are relayed to the GNWT Executive Committee through the minister.

Q How will the activities of DIZ groups be funded?

A Funding for DIZ groups will come, in part, from the GNWT Executive Committee. Where possible, joint efforts with industry will be considered. It is anticipated that the resources of various DIZ group members (organizations or municipal governments) may also be utilized to carry out the groups' objectives.

Q Where can further information be obtained on the Resource Development Policy and its provisions?

A Initial contact may be made with the Minister for Energy and Resource Development or by contacting the Energy, and Resource Development Secretariat, Government of the NWT, Yellowknife.